35. Economic depression and remedies therefor.

MR. V. D. VARKEY (*Kottayam taluk, Group II*) said that owing to the prevailing economic depression the prices of local products such as pepper, ginger, cocoanut, *copra*, tea and rubber were very low and consequently the agriculturists, merchants and manufacturers were enduring great financial difficulties. One direct result of this state of affairs was that the daily labourer found it difficult to earn his livelihood. To remedy this, the member made the following suggestions:—

(1) All sanctioned public works as well as those that are absolutely necessary should be taken up immediately. This would provide labour for a large number of people.

(2) The construction of the Quilon-Ernakulam railway which was surveyed four or five years back should be started without delay. The money required might be obtained on loan from the Devaswoms in the State or from companies outside the State or the work might be left, on specified conditions, in the hands of any company. The proposed railway would be of immense benefit to the State and to the Cochin Harbour.

(3) The time for paying land tax and income tax should be extended. The fees in schools should be reduced at least for a time.

(4) Public expenditure should be cut down by reducing the number of departmental educational institutions and encouraging the increase of grant-in-aid institutions and also by abolishing as many offices as possible.

DEWAN'S REPLY: At the present moment, we are doing our best, Mr. Varkey, by extending the time for payment of land revenue to help the ryots.

But, income tax is a different matter; time for payment of that cannot be extended.

The estimate for the Quilon-Ernakulam railway extension is ready, but it involves a very large outlay as many rivers have to be bridged over. Further, at present, the rate of interest for borrowing money is very high on account of the tightness of the money market. That scheme must therefore wait.

The execution of public works is generally carried on as quickly as possible; but at the moment everything has to be delayed to a certain extent owing to financial stringency. As far as possible, we try to get through the programme.

36. Some suggestions for meeting the present economic depression.

MR. K. T. MICHAEL (*Changanachery taluk, Group I*) said that Travancore was with the rest of the world passing through a period of economic depression. The merchants became insolvent and the average ryot was unable to pay the tax due on his land and consequently his land was attached and sold. The proper administration of

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a country depended on the well-being of its people. No doubt the Government were alive to the prevailing depression and have appointed a committee to enquire into its causes and suggest remedies. But the people have lost faith in enquiries through committees. Such committees were intended only to divert the attention of the people from the questions at issue and the reports of the committees prepared at much cost served no immediate purpose. The public were not satisfied with the action taken on some of the recommendations of the Economic Depression Enquiry Committee and were impatient about the delay in passing orders on the remaining recommendations. The only beneficial action taken was the suspension of coercive processes for recovering land revenue and the remission of demand notice fees. This was quite inadequate to meet the situation. In all civilized countries reduction of salaries of high paid officers was effected with a view to relieve economic distress. In Travancore too the Retrenchment Committee was considering the question of cut in salaries. The member hoped that there would be no serious obstacle in recommending such cuts and in accepting the recommendation.

The action of the Government in disbanding *maistries* as a measure of retrenchment was unwise. The saving effected was trivial while the measure created a large number of unemployed. In all civilized countries, the scope of the Public Works Department was extended in times of distress.

There were certain high paid offices which could be abolished without detriment to efficiency. The Forest Department for instance was too big a department for the State. The net income from the department was not very large. A large staff was maintained to conserve the royal trees standing on registered holdings. If the royalty be abolished and the full right over the trees be vested in the landholders, a large saving could be effected. The people also would take an interest in planting royal trees on their lands. The royalty has been abolished in Cochin and British India.

A large amount was being spent every year on account of rent on buildings for holding Government offices. There was no justification in allowing this item of expenditure to recur. In certain places buildings were hired although Government buildings were available. The Munsiff-Magistrate's Court at Kanjirapalli was an instance in point. Ever since its establishment it was held in a rented building although an unused travellers' bungalow was available there. The transfer of the court to the building in question would result in an annual saving of about Rs. 1,000.

All coercive steps for the realisation of tax should be suspended. The only disadvantage to the Government in allowing this was delay in payment of tax. There was no loss because land revenue formed the first charge on the lands which could be sold without any regard to the possible price they might fetch.

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In several cases the people who had obtained agricultural loans from the Government were unable to repay them at the stipulated time owing to change of economic conditions since the grant of the loans. The prices of agricultural products had gone down and the people had no resources to fall back on. Similar was the case in regard to the payment of *taravila* and *tadivila* on the lands ordered to be registered. The time for payment of these loans and dues should therefore be extended.

The tax on rubber land has been reduced by the Government. But the Land Revenue Department was realising the tax at the original rate. This should not be. Again areas registered not as rubber lands but cultivated with rubber were paying a tax of Rs. 2 per acre. These lands were yielding nothing to the owner. The tax on these lands also should be reduced.

The keenness of economic depression was aggravated by unemployment among the educated classes. The Unemployment Committee has suggested that these men should be induced to take to agriculture. Such of them as desired to take to this profession must be given lands and facilities for cultivating them.

Several labourers have been thrown out of work since the advent of the depression. The only means of providing these men with work was by disafforesting lands fit for cultivation and assigning the same to them.

DEWAN'S REPLY: Mr. Michael, it is not possible for me to reply to all your suggestions now. The problem of finding employment for the unemployed educated classes must be faced. I may say that a large number of blocks of forest land have been disafforested, but many of these blocks are lying uncultivated in many parts of the State. The question of throwing open other forest lands for cultivation is dependent upon the question whether there are unobjectionable lands available and whether people are willing to take them up.

Government at present are doing their best to help the people by suspending coercive processes for recovery of land revenue. But, there is a limit beyond which Government cannot go.

Your other suggestions have been either considered or will be considered.

37. Some remedial measures for the present economic depression.

MR. V. K. KESAVA PILLAI (*Minachil taluk, Group I*) said tha the majority of the people in Travancore were agriculturists and that the chief agricultural products were paddy, cocoanut, pepper, turmeric, ginger, rubber and cardamom. But the paddy produced was inadequate to meet the demand and every year a large quantity of paddy was imported into the State. The prosperity of the people did no therefore depend upon foreign markets so far as paddy was concerne

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